

The minutes set forth are an unofficial copy of this month's Board meeting minutes. For an official (signed) copy, please contact the Authority.

IOWA FINANCE AUTHORITY BOARD MEETING MINUTES

**Iowa Hospital Association Education Center
March 2, 2005**

BOARD MEMBERS PRESENT

Vincent Lintz, Chair	Virginia Bordwell
Kay Anderson, Vice Chair	Roger Caudron
Carmela Brown, Treasurer	Heather Kramer
Steve Adams (via telephone)	Douglas Walter
	Dick Wright

STAFF MEMBERS PRESENT

Bret Mills, Executive Director	Glenda Gaumer, Senior Housing Compliance Specialist
Jennifer Amodeo, Secretary	Steven Harvey, Comptroller
Lori Beary, Community Development Finance Officer	Craig Johnson, Financial Analyst/Underwriter
Mickey Carlson, Single Family Program Manager	Julie Lunn, Housing Compliance Specialist
Dennis Dietz, Director, Policy and Governmental Affairs	Nancy Peterson, Housing Compliance Specialist
Connie Dippel, Housing Compliance Specialist	Loyd Ogle, Director, Title Guaranty Division
Monica Fischer, Public Information Officer	Tracy Scebold, Housing Allocation Manager
Alyson Fleming, Administrative Assistant	James Smith, General Counsel
	Tim Waddell, Tax Credit Manager
	Nancy Wallis, Administrative Assistant
	Vicky Winter-Clearman, Legal Secretary

OTHERS PRESENT

David Bridgewater – Hubbell Realty	Doug LaBounty – Community Housing Initiatives
Kristi Boyce – Wells Fargo Bank Iowa, NA	Roger Langpaul – National Management Co.
Bob Burns – Burns & Burns, LC	Frank Levy – Newbury Development Co.
Chris Carrera – Wells Fargo	Dave Midtlyng – McGladrey & Pullen
Al Collet - IDED	Renie Neuberger
Jim Conlin – Conlin Properties	Jackie Nickolaus – City of Des Moines
John Coons - Aequitas	Bruce Ray – Dept. of Housing and Urban Development
Sam Ericson – Community Housing Initiatives	Bill Reineke – HOUSES, Inc.
Debbie Fisher – Newbury Development Co.	Kristin Saddoris – Conlin Properties
Scott Fitzpatrick – National Equity Fund	Missy Sisler – McGladrey & Pullen
Darla Giese – Dorsey & Whitney Law Firm	Michael Tramontina – Department of Management
Marty Gross – Merrill Lynch	Terry Vestal – IDED
Ralph Gross – Merrill Lynch	Jeff Voorhees – National Consulting
David Grossklaus – Dorsey & Whitney Law Firm	Greg Wattier – Architect
Jon Hrabe – Iowa Equity Fund	
Dr. Keith Johnson – Advanced Learning Group	
Nicole Jones – State Treasurer's Office	

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CALL TO ORDER

Chair Lintz called to order the March 2, 2005 meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:00 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Anderson, Brown, Adams, Bordwell, Caudron, Kramer, Walter and Wright.

REVIEW AND APPROVAL OF MINUTES

February 2, 2005

Chair Lintz introduced the minutes of the February 2, 2005 meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Mr. Walter and a second by Ms. Kramer, the Board unanimously approved the minutes of the February 2, 2005 meeting.

February 4, 2005 Telephonic Board Meeting

Chair Lintz introduced the minutes of the February 4, 2005 telephonic meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Mr. Caudron and a second by Ms. Anderson, the Board unanimously approved the minutes of the February 4, 2005 telephonic meeting.

ADMINISTRATION/MANAGEMENT REPORT

Chair Lintz congratulated Mr. Mills on his recent appointment as Executive Director of the Authority.

Mr. Mills thanked Chair Lintz and stated his primary objective would be to stay the course set for the Authority by the Board and his predecessor, Mr. Tramontina.

Summary & Overview

Mr. Mills announced the planning for Fiscal Year 2006 is underway with completion anticipated by mid-April. He said the budgeting mode will begin at that time.

Resolution Re: Mr. Michael Tramontina

Mr. Mills introduced the Resolution Re: Mr. Michael Tramontina. He read aloud portions of the Resolution.

Mr. Tramontina was presented with a plaque honoring him for his service to the Authority.

MOTION: On a motion by Chair Lintz and a second by Ms. Anderson, the Board unanimously approved the Resolution Re: Mr. Michael Tramontina.

Mr. Tramontina made a brief statement and thanked the Board and Authority staff.

Administrative Services Report

In the absence of Ms. Julie Noland, Mr. Mills referred to the handout included in the Board materials.

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LEGAL / REGULATORY

Notice of Intended Action Re: 265 IAC Chapter 21; Home and Community Based Services Revolving Loan Program

Mr. Smith introduced the Resolution stating the revised rules encourage prepayment of the loans made from the HCBS Fund in a five year period by providing a refund of up to one-half of the loan commitment fee to the borrower.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Wright, the Board unanimously approved the Notice of Intended Action Re: 265 IAC Chapter 21; Home and Community Based Services Revolving Loan Program.

FINANCE AND ACCOUNTING

Finance Update

Mr. Harvey explained the asset per employee ratio was reduced due to the repayment of a bond issue. He said the Single Family portfolio continues to increase and the Multifamily Loan Portfolio was reduced due to the repayment of a loan.

MOTION: On a motion by Ms. Bordwell and a second by Mr. Wright, the Board unanimously approved the financial report for January 2005.

Resolution Authorizing Single Family Bonds, 2005 Series A, B, C

Mr. Harvey introduced the Resolution Authorizing Single Family Bonds, 2005 Series A, B, and C. He said the resolution authorizes an amount of up to \$70 million; however, the expected issue amount will be between \$60 and \$65 million with the refunding of previous issues.

MOTION: Mr. Adams made a motion to approve the Resolution Authorizing Single Family Bonds, 2005 Series A, B, and C (Mortgage-Backed Securities Program) adopting and approving Series Resolutions relating to Single Family Mortgage Bonds and authorizing the issuance, sale and delivery of the Authority's Single Family Mortgage Bonds pursuant to such Series Resolutions, authorizing the execution and delivery of a contract of purchase and a continuing disclosure agreement; and delegating certain responsibilities to the Executive Director for finalizing certain matters, forms and contents of certain documents. On a second by Ms. Bordwell, the Board unanimously approved the resolution.

COMMUNITY / ECONOMIC DEVELOPMENT /STATE REVOLVING FUND (SRF) PROGRAM

Economic Development Loan Program

ED. Loan #02-09, Townview Partners Limited Partnership

Ms. Beary introduced the amending resolution for \$1,270,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Townview Partners Limited Partnership in Sioux City. She stated the resolution amends the authorizing resolution passed on November 10, 2004. Ms. Beary said the legal name of the borrower is Townview Partners Limited Partnership and the original resolution had the name as Townview Limited Partnership. She explained the amendment also changes the bonds from Series 2004 to Series 2005. Ms. Beary stated the inducement resolution for this project was adopted on June 5, 2002.

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RESOLUTION #02-09B-1

MOTION: Mr. Caudron made a motion to approve the amending resolution for \$1,270,000 in Iowa Finance Authority Housing Revenue Bonds (Townview Partners Limited Partnership Project) Series 2005 for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds, authorizing the sale of the bonds; and related matters. On a second by Ms. Anderson, the Board unanimously approved Resolution #02-09B-1.

ED. Loan #02-10, Centennial Manor Partners Limited Partnership

Ms. Beary introduced the amending resolution for \$1,859,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds for Centennial Manor Partners LP in Sioux City. She stated the resolution amends the authorizing resolution passed on November 10, 2004. Ms. Beary said the legal name of the borrower is Centennial Manor Partners Limited Partnership and the original resolution had the name as Centennial Manor Limited Partnership. She stated the amendment also changes the bonds from Series 2004 to Series 2005. Ms. Beary said the inducement resolution for this project was adopted on June 2, 2002.

RESOLUTION #02-10B-1

MOTION: Mr. Caudron made a motion to approve the amending resolution for \$1,859,000 in Iowa Finance Authority Multifamily Housing Revenue Bonds (Centennial Manor Limited Partnership Project) Series 2004 for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; and related matters. On a second by Ms. Anderson, the Board unanimously approved Resolution #02-10B-1.

HOUSING PROGRAMS

In the absence of Ms. Donna Davis, Mr. Tim Waddell made the Housing Programs report to the Board.

Low Income Housing Tax Credit (LIHTC) Program Allocation

Mr. Waddell began by thanking all of the individuals involved in the review process. He briefly described the process involved in determining the awards and described each proposed project as a PowerPoint slide presentation was made.

Mr. Waddell summarized the projects proposed by staff for funding as follows: 12 projects in metropolitan areas; 7 projects in non-metropolitan areas, 7 historic preservation, 7 non-profit, 12 for profit, 1 affordable assisted living and 7 service enriched. He stated 10 of the 19 proposed projects combine funding from HOME and LIHTC.

Resolution Re: Low-Income Housing Tax Credit 2005 Awards

Mr. Waddell introduced the resolution re: Low Income Housing Tax Credit 2005 Awards.

MOTION: Mr. Caudron made a motion to approve the allocation of the 2005 tax credit awards for the developments and in the amount set forth in the 2005 Calendar Year Rank Master Sheet before the Board. On a second by Mr. Wright, the Board unanimously approved the 2005 Low Income Housing Tax Credit awards as recommended by staff.

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Resolution Re: 2005 Senior Living Loan Fund Awards

Mr. Waddell introduced the Resolution Re: 2005 Senior Living Loan Fund Awards. He said the three projects were awarded low income housing tax credits and senior living loan funds are the Welch Hotel, the Hearst Hotel, and Prime Living Apartments.

MOTION: Mr. Walter made a motion to approve the Resolution Re: 2005 Senior Living Loan Fund awards to the following applicants; an amount not to exceed \$400,000 to Maquoketa Housing II, LP; to the Welch Hotel, LP, an amount not to exceed \$500,000; and to SCAAL, LLLP an amount not to exceed \$1,671,235. On a second by Ms. Bordwell, the Board unanimously approved the Resolution Re: 2005 Senior Living Loan Fund Awards.

Resolution Re: Multifamily Preservation Loan –Madison Heights

Mr. Craig Johnson introduced the Resolution Re: Multifamily Preservation Loan for Madison Heights. He explained the Madison Heights project is a 1997 Low Income Housing Tax Credit Project which was put in service in December of 1998. Mr. Johnson stated the present loan is an outgrowth of the construction loan, which was not paid off with permanent financing. He said the failure to attain sustained occupancy and related management issues led to a substitution of the general partner in November 2000. Mr. Johnson stated the staff recommendation is to refinance the existing first mortgage (\$239,028 balance; 7.70%; 27.5 year amortization; 15 year term) and the Housing Assistance Fund loan (\$48,765 balance) with an Authority first mortgage as outlined, He said the HOME loan has been restructured in conjunction with the refinancing to reduce its annual payments.

MOTION: Ms. Bordwell made a motion to approve the Resolution Re: Multifamily Preservation Loan-Madison Heights to refinance the existing first mortgage in an amount not to exceed \$275,000 for a term of 30 years, at the rate of 5.30%, and fees of 2.8% of the loan amount. On a second by Ms. Anderson, the Board unanimously approved the Resolution Re: Multifamily Preservation Loan – Madison Heights.

Resolution Re: HCBS Loan; Adel Assisted Living, Inc.

Mr. Johnson introduced the Resolution Re: HCBS Loan, Adel Assisted Living, Inc. He said the Adel Assisted Living Apartments is a 2004 Low Income Housing Tax Credit Project that is currently under construction. Mr. Johnson stated the project partnered with HomeCare Services Inc., which currently operates the congregate meal site in Adel. He said the current meal site does not meet the needs of the community because it is not handicapped accessible; the location is not adjacent to either housing, services or retail space; and the property was not intended for year-round use and has required constant repair. Mr. Johnson explained the existing congregate meal site serves 15-20 seniors for the noon meal Monday through Friday, and is the production center for home delivered meals for 100 clients. He stated the proposed congregate meal site is co-located in the Adel Assisted Living building and will provide meals for the 24 tenants of the property and will also prepare the home delivered meals. Mr. Johnson said the new location is adjacent to two USDA-RD 515 complexes that provide 68 senior apartments, and Adel Acres Care Center, a 67-bed nursing facility. He said participants at the meal site will have access to case management services through HomeCare Services, Inc., referrals to Dallas County Hospital for nutritional counseling, transportation, and community activities. Mr. Johnson stated for a fee, senior citizens will be able to take classes and participate in additional activities coordinated by the activity coordinator for the assisted living program. He said an adult day program and a wellness center are proposed for future development at the location. Mr. Johnson stated the staff recommendation is to approve a first mortgage in an amount not to exceed \$600,000 to fund the construction of the Adel Assisted Living Apartments congregate meal facility.

MOTION: Ms. Brown made a motion to approve the Resolution Re: HCBS Loan, Adel Assisted Living, Inc. in an amount not to exceed \$600,000 for a term of 20 years at the rate of 1.00% with fees of 2.8%. On a

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second by Ms. Anderson, the Board unanimously approved the Resolution Re: HCBS Loan, Adel Assisted Living, Inc.

Resolution Re: Utilities Board Efficiency Improvement Program

Mr. Waddell introduced the Resolution Re: Utilities Board Efficiency Improvement Program. He said the Authority has been asked to work with the Iowa Utilities Board, the Iowa Utilities Association, Alliant Energy – Interstate Power and Light Company, Aquila, Inc., and MidAmerican Energy Company in the creation and administration of a new program to be called the Multifamily and Institutional Efficiency Improvement Program for Low-Income Iowans. Mr. Waddell stated the Authority will execute a memorandum of understanding with the Utilities to detail the expectations and duties of the parties with respect to the program which will initially extend through Fiscal Year 2006.

Mr. Ogle gave a brief background on the predecessor of the program, the Shelter Weatherization Program.

MOTION: Mr. Walter made a motion to approve the Resolution Re: Utilities Board Efficiency Improvement Program authorizing the Authority to work with the Utilities and Utilities Board to create and administer the Efficiency Improvement Program and the execution of a memorandum of understanding by the Authority with the Utilities, and, if necessary, with the Utilities Board to detail the parties' duties with respect to the Efficiency Improvement Program. On a second by Ms. Anderson, the Board unanimously approved the Resolution Re: Utilities Board Efficiency Improvement Program.

TITLE GUARANTY DIVISION (TGD)

Mr. Ogle referred to the charts included in the Board materials and updated the Board on upcoming events of the Division.

Transfer of Funds to Housing Programs

Mr. Ogle announced the Title Guaranty Board of Directors approved a transfer of \$725,000 to the Authority's housing programs.

MOTION: On a motion by Mr. Caudron and a second by Ms. Anderson, the Board unanimously accepted the transfer of \$725,000 from the Title Guaranty Division to the Authority's housing programs.

POLICY / LEGISLATION

Mr. Dietz referred to the handouts included in the Board materials.

A general discussion followed regarding the priorities to be discussed with the Congressional delegation during the National Council of State Housing Agencies' (NCSHA) annual Legislative Conference. Mr. Wright suggested the delegation be made aware of the importance of the Community Development Block Grant and the impact that program has had on communities and persons of low to moderate income.

MOTION: Mr. Wright made a motion for the Board to provide a letter of support to encourage the Congressional delegation's support of the Community Development Block Grant Program and continued funding for that program. On a second by Mr. Adams, the Board unanimously approved the motion to provide a letter of support to the Congressional delegation.

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COMMUNICATIONS

Ms. Monica Fischer referred to the handouts included in the Board materials.

Ms. Fischer played a videotape of the grand opening of Prime Living Apartments in LeMars, held on February 25, 2005.

Mr. Wright inquired as to the financial liability of the Authority in the issuance of bonds, referring to an article on the Ramsey House.

Mr. David Grossklaus of the Dorsey and Whitney Law Firm explained in a conduit bond financing the Authority incurs no debt or liability.

MISCELLANEOUS ITEMS

Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no one in the audience wishing to address the Board, Chair Lintz closed the public comment period.

Next Month

The next regular meeting will be held at 10:45 a.m. on Wednesday, April 6, 2005, in the Iowa Hospital Association Education Center, located on the first floor of 100 East Grand Avenue, Des Moines, Iowa.

ADJOURNMENT

There being no further business, on a motion by Mr. Caudron and a second by Ms. Anderson, the March meeting of the Iowa Finance Authority Board of Directors adjourned at 12:43 p.m.

Dated this 6th day of April, 2005.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Vincent Lintz, Chair
Iowa Finance Authority